

The Future of Corporate Coaching:

Guiding Leaders Through Organization-Wide
Transformation in a Digitally Accelerated World

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WHITEPAPER





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Executive Summary

When HR executives and buyers prioritize leadership development options for their senior leaders, corporate coaching is often at the top of the list. Particularly in times of profound change and disruption, executives and senior-level managers need the support of a coach who can help them filter through noise and make clear decisions that propel their organizations into the future. And with research from the International Coaching Federation (ICF) showing that 86% of organizations see an ROI on their coaching engagements, the benefits of corporate coaching are significant.

But as the coaching industry continues to evolve under the influence of a ‘new world of work’ — one that is increasingly digital, agile, and transformed for the post-pandemic world — how will buyers expect corporate coaching to meet these new challenges?

To lead their organizations through massive transformations, senior leaders will need coaches who are specialized — not just in a particular industry, but on a specific topic. These specialized coaches must be familiar with relevant research and industry trends, and they must have the ability to analyze data to help leaders solve unprecedented challenges.

The future will usher in coaches who are focused on an organization’s overall strategy, ultimately helping that organization achieve its mission by crafting senior leaders who are able to operate at peak performance.



Corporate Coaching: A Changing Landscape

When HR executives and heads of leadership development look to the future, how do they plan to allocate their corporate coaching budgets?

To find out, we surveyed buyers from 30 organizations, more than 100 HR and business leaders, and over 250 employees on their expectations for the future of coaching. Along the way, we uncovered valuable insights that indicate a shift in the corporate coaching and talent development landscape.

Just a decade ago, when senior leaders sought an executive coach, they typically looked for 2 key differentiating factors: the presence of trust, and the coach's accreditation from the International Coaching Federation (ICF).

These are still baseline requirements, but today, our survey found, buyers' criteria are changing to also include the following 3 considerations.

CONSIDERATION 1 | BUYERS REQUIRE GLOBAL CONSISTENCY.

From large leadership development organizations, buyers require global consistency. In many cases, these corporations' offices span multiple countries or continents, but their vision and mission are consistent.

HR buyers believe that their leaders, regardless of location, require coaches that understand global perspectives and are able to approach corporate coaching through a consistent lens worldwide.

Buyers want to feel confident that their leaders' coaches have received the same high-quality training and have globally recognized standards irrespective of their coaching training.

CONSIDERATION 2 | CREDIBILITY IS BASED ON EXPERIENCE.

Over the last decade, the basis of trust between coach and coachee has shifted. In the past, trust was built on a personality match between the 2 participants. Generally, the presence of “chemistry” was a good indicator of trust.

While chemistry between coach and coachee is still important, the expectations for establishing trust have grown more involved and complex.

The ICF has played a role in elevating HR executives’ and corporate coaching buyers’ expectations for executive coaches. Through conversations with buyers and coaches, the ICF has communicated the value of proper coaching and key quality assurance elements.

Because of these enhanced standards and an overarching awareness of the importance of rigorous training and accreditation, most buyers have begun to apply their own criteria for excellence that supersedes ICF accreditation. One of these criteria is experience in the executive’s unique industry and leader level.

Buyers understand that their C-suite executives are immersed in a context-specific market with implicit dynamics that cannot easily be understood by outsiders. Therefore, they expect their coaches to have had similar experiences in the past — both as coaches and as managers.

Even a master coach with 2,000 hours of coaching experience may not be able to gain a particular executive’s trust if that professional’s business experience isn’t sufficient in the relevant industry. Therefore, trust between leader and coach has evolved from being a factor of chemistry to being a factor of credibility, as well.

CONSIDERATION 3 | COACHES VIEW SKILL DEVELOPMENT THROUGH A DIFFERENT LENS: THE FUTURE, INSTEAD OF THE PAST.

While leadership development is a key component of any coaching engagement, it is not the main goal for most executives or buyers when they're shopping for corporate coaching. Instead, these consumers are driven by a desire to satisfy their business strategy.

For corporate coaching to be a viable option, it has to make the organization more competitive or help solve everyday problems as they relate to the organization's overall business strategy.

Traditionally, most professional coaches start with a 360-degree assessment that determines a coachee's development needs. The high return on investment (ROI) of this approach proves the value of uncovering gaps when it comes to skill development. Yet it also raises a fundamental question: *Why should development needs be informed by the recent past, instead of the desired future?*

Based on our interviews with executives, we believe professional development will no longer be the entry point in corporate coaching; instead, it will become a critical component of a strategy conversation that drives each coaching session.

This future-focused approach starts with a vision for the organization or the role, and then asks: *What sort of person must I become to empower that vision?* As author, life coach, and business strategist Danelle Delgado put it: "We must become the type of leaders our results require." Too many times, organizations take the opposite road. They ask: 'What development needs have been identified over the past 12 months,' relying therefore on the past, not the future.



Uploading Genius vs. Downloading Genius: The Balance Between Coach and Mentor

According to ICF standards, coaches do not tell their clients what needs to be done and how to do it; rather, they ask questions that enable their clients to expand their awareness and gain clarity. It's the coach's job to "upload genius" — in other words, to guide their coachees as they create a strategy to identify and overcome obstacles in their way.

Mentors, on the other hand, have experience in the same field as the professional they're mentoring. It's their job to "download genius," to teach and share their experience and pass along relevant insights to their mentee.

In the future of corporate coaching, as the coaching agenda increasingly is centered around strategy, we can expect these 2 roles to converge. Executives want to learn from the best, and they're hungry for coaches with experience at their level and in their industry. As a result, it's only natural that their coaches will flex their style, knowing when a coach is needed and when a mentor is needed.

When coaches wear their "mentoring hat," they're sharing their own winning formula. But there's an art to guiding the client to discovering their signature style. The most successful leaders understand the importance of leading from a place of authenticity — wanting to learn from their coaches, rather than become a copy of their mentors.



How Data Fits into the Coaching Agenda

When executives enlist the help of a coach, they're in some ways calling on a locksmith. In other words, clients have the answers to many of their questions inside of them, but they don't know how to unlock their internal resources to find those answers.

Across the globe, human capital reports reveal that a majority of CEOs are facing the same challenges: digital transformation, agile transformation, culture transformation. As working from home becomes the new normal — coupled with evolving technology — leaders must shift to new ways of working. Whereas a decade ago the challenge was change management, the primary corporate issue today is digital transformation, which requires a fundamental overhaul of organizations' business models, values, and how decisions are made. This is a challenge that's bigger than an organization's individuals; therefore, the solution requires more than a skilled locksmith.

The solution now requires data and relevant research — and platforms that can analyze this data to inform leaders' decision-making process by giving them success and derailment factors associated with particular approaches to their challenges.

Senior leaders look to their coaches for this information and for guidance on how to apply it in their industry. Therefore, coaches must have expertise not only in a specific industry, but also in certain key topics in that industry.



The Future of Digital Platforms in Corporate Coaching

As the world digitizes, so does coaching. In the future, virtual coaching and its platforms will offer access to increasingly sophisticated technology, allowing organizations to connect data, utilize predictive analytics, and access integrated and automated project management support.

These integrated technologies supersede mere virtual video calling, offering 2 additional coaching capabilities:

- **Sensing technologies**, which collect data from coaching sessions to be used for monitoring and predictive analytics. One potential application: Based on an algorithm of your professional profile, your mobile device or wearable technology might sense that you're in proximity of someone with whom you could develop a beneficial relationship — and notify you of that opportunity.
- **Nudging technologies**, which record coaching sessions, summarize key takeaways or action items, and nudge executives to practice these skills at appropriate times, locations, or even in the presence of specific key stakeholders. These technologies keep executives engaged and holds them accountable.

Corporate Coaching's Fastest-Growing Segments

In recent years, the majority of corporate coaching has been focused on leadership development, with a smaller portion focused on life coaching. Within leadership development, coaches were helping their coachees develop their senior leaders and middle managers; enhance their culture through more effective conversations; and help their staff to become engaged problem-solvers.

Today, however, the focus of corporate coaching is shifting. While leadership development is still a critical and growing segment, 2 additional focus areas have entered the scene:

- **Coaching for transformation and change.** Aside from leadership development programs, organizations also run change management programs, an area where coaching proves to be very effective.

Whereas coaching for development is primarily focused on impacting the life of an individual — creating a ripple effect throughout the organization — [coaching for change](#) is primarily focused on accelerating the implementation of organization-wide change.

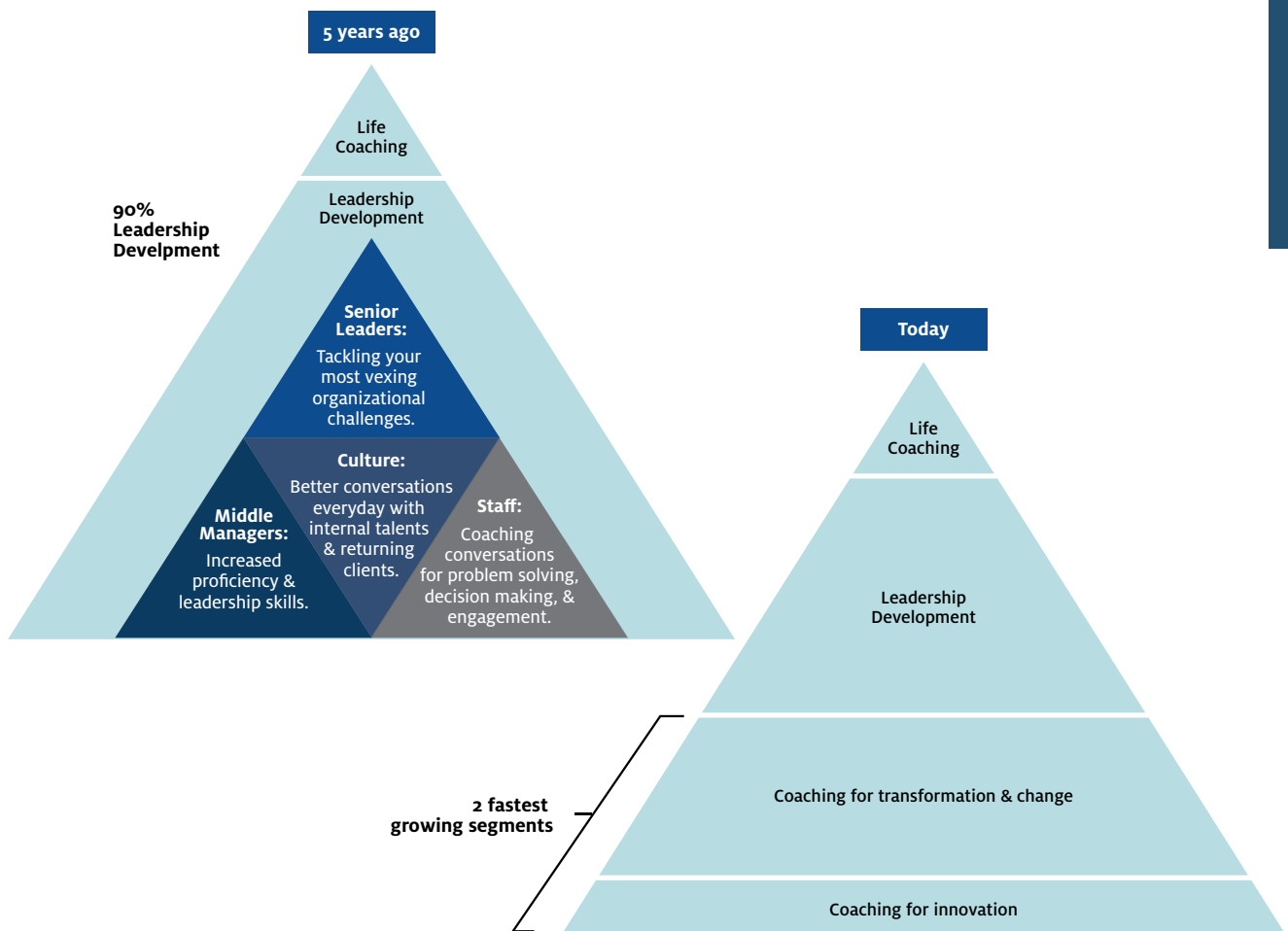
As a company shifts to stay agile, the coach's main mandate is to support the change leader by anticipating and overcoming associated hurdles. Coaching for change raises the question, *"How can we best identify the people who will exert a strong influence on the rest of the organization in the context of our change initiative, and how can we best leverage their influence and talents?"*



- **Coaching for innovation.** Driving innovation has always been important, but today organizations are more intentional about how they promote their innovation agenda. Whereas innovation used to be considered part of Research & Development, leaders now recognize it's their responsibility to make innovation happen.

Because of this shift, innovation coaches from design thinking, lean start-ups, and the agile movement come to the rescue with highly specialized and differentiated methodologies compared to leadership coaching.

But after 10 years of continuous growth, we observe increased convergence. Many programs now combine agile coaches with leadership coaches and coaching for development with coaching for change. Just as the frontiers between coaching and mentoring are becoming more porous, so, too, are innovation and leadership development coaching. Specializations call for collaboration. As one CCL client gracefully put it, "Doing agile and being agile are 2 very different things."





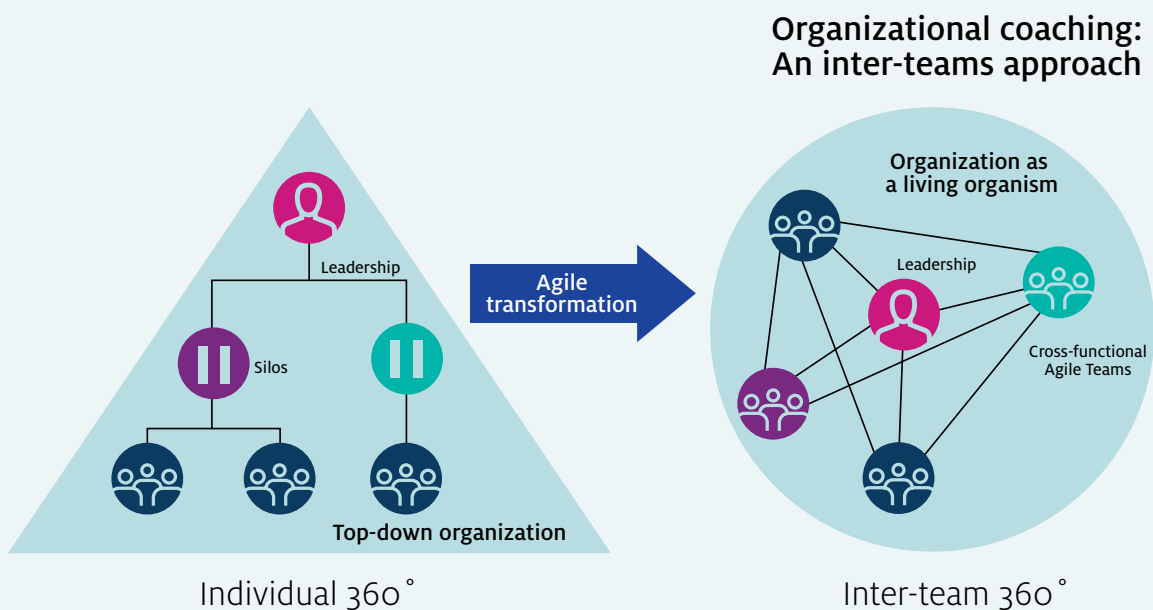
The Rise of Organizational Coaching

From a historical perspective, corporate coaching has evolved from individual coaching to team coaching to group coaching. Today, we see the emergence of a fourth possibility: organizational coaching.

Organizations are constructed of interdependencies, and people and teams that are only successful when they are able to work together. When these interdependencies are managed and operate at the same performance level, organizations achieve super-performance. But when they're not managed, the organization's success lags.

The pace of an organization's growth is always constrained by its weakest links. If a manufacturing company's sales team is super-performing, but its operations arm is struggling to keep up the pace of production, the organization will fail to deliver.

With the movement of "agile transformation," coaches are now focusing more and more on the interdependencies between people, teams, departments, and business units. This results in corporate coaching that targets relationships, partnerships, and ecosystems.



| The Value of Team Coaching

Because teams are becoming the organizational nodes that guide HR executives, we expect investments in team coaching to increase exponentially over the next 10 years. “It’s not the leader; it’s *leadership!*”

Team coaching recognizes leadership to be a shared responsibility that supersedes the power of any one “official” leader. By viewing leadership as a social process, organizations start to understand why culture trumps strategy.

Unless the leadership development happens in conjunction with a cultural/ environmental transformation, progress will remain meager at best.

Facing Challenges With the Help of Open-Sourced Coaching

With the emergence of the new platform business models — wherein an organization creates value by facilitating exchanges between interdependent groups — many executives are also considering the value of an inter-company, peer-based coaching network.

In this model, their coach is one or more of a group of peers from other industries who form a mastermind alliance. They may not have a formal coaching certificate, but they have credibility, experience, and access to relevant resources that can help with decision-making or with advancing a critical agenda.

Not only do these peers “speak the same language” because they’re in the same field and work at the same leader level, but they may also have succeeded in applying specific strategies that could be relevant and applicable. And to make matters even more appealing, executives make a wise investment in their social capital, therefore expanding their reach and influence through this form of alliance.



The ROI of External vs. Internal Leadership Development

When organizations invest in coaching, they currently consider 2 investment types:

- 1 External corporate coaching providers or organizations**, such as the Center for Creative Leadership, and
- 2 Internal leadership development**, whereby HR leaders and managers are empowered to use coaching skills to elevate employees' skills.

The level of satisfaction and impact of external corporate coaching is irrefutable, with multiple studies finding evidence that coaching is highly effective. One such study published in *The Journal of Positive Psychology* found that executive coaching enhances goal attainment, resilience, and workplace well-being, and according to ICF, 96% of those who had an executive coach said they would repeat the process again.

But what about internal coaching programs? Our research tends to demonstrate that these types of investments do not yield the expected results if a secret ingredient is not accounted for.

When employees reflect on how it feels to be on the receiving end of a coaching conversations for development with their manager or HR staff, they report that it's helpful but falls short. Why? 2 factors are at play:

- The HR processes supporting these types of coaching conversations haven't changed, and so for many people, the developmental conversations happen at best twice a year — not enough for development to be sustained and empowered.
- Organizations tend to invest only in coaching for development, whereas an employee most often needs primarily to alleviate the overwhelming stress and responsibilities they face each day.

In our research, 9 out of 10 people report facing an ill-defined challenge at work that they don't know how to solve, which affects their performance, workload, engagement, sense of well-being, and reputation. When asked how long the situation has been on their mind, 80% of the answers are 3 months to one year.

These employees don't just need development; they need empathy from their supervisors who can help them prioritize and tackle their challenges so they can move forward. Managers are able to optimize these internal coaching and development opportunities when they have the skills required to conduct high-quality conversations every day.

Conclusion

In the future, senior leaders will require a different type of corporate coaching experience: one that blends coaching and mentoring; professional development and strategic dialogues; individual focus with team engagement; and finally external, professional coaching with internal and external peer coaching.

For many organizations, the 2020 pandemic-mandated shift to a virtual workplace inspired true digital transformation — a new way of working and living. More than just change management, this fundamental shift requires senior leaders and executives to rethink everything about their business, from corporate culture to resource management to business strategy.

In the future of corporate coaching, this new business strategy will anchor the coaching relationship, and the traditional coaching model — maximizing an individual's professional potential through thought-provoking questions — will be used to achieve that strategy.

In order to usher their organizations into the future, leaders will need a corporate coach who understands the challenges they face — someone specialized not only in their field, but well-versed on a specific topic. They'll need help navigating digital tools and platforms that can boost their organizations' competitiveness. And they'll recognize the value of team coaching, understanding that agile transformation only happens when teams collaborate to tackle on complex challenges, together.

Ready to take the next step?

Coaches expand perspective, inspire, and provide challenge and support like no one else. Research has repeatedly found that leaders who receive coaching are viewed as significantly more effective and tend to be more satisfied in their jobs.

Our Leadership Coaching solutions – including Executive, Team, and Integrated Coaching, as well as programs to build coaching skills – can be customized to tackle your organization's specific context and challenges.

Learn More: ccl.org/coaching

About the Author

Frederic Funck is a business leader, intrapreneur, and professional coach. He is the Coaching Program Director for the Center for Creative Leadership and a HR Community Leader with more than 150 members in the Europe, Middle East, and Africa region.

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